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World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

DAIRY, LIVESTOCK AND POULTRY

CANADIAN hog numbers expanded 1.5 percent during 1983 to 10.1 million head while cattle numbers fell 4.3 percent to 11.1 million head, according to the U.S. agricultural counselor in Ottawa.

Canadian pork production was up 5 percent in 1983 to 875,000 tons, just short of the record 1980 level. The nearly two-year ban by Japan on Danish pork imports that ended last fall and attractive prices in the U.S. pork market have encouraged production in Canada. Government support programs and a weak Canadian dollar also have been important. In 1984, higher feed costs and increased competition in the Japanese market are expected to limit pork production expansion to about 1 percent.

Canadian cattle numbers have been falling since 1981. During 1983, beef cow numbers fell 3.6 percent and dairy cow numbers were down 1.8 percent. Reduced feed grain and fodder supplies were factors in the drop of beef cows, while reduced manufacturing milk quotas encouraged dairy cow declines. Slaughter levels in 1983 were below 1982 levels, but production was up because of higher average carcass weights. For 1984, beef production is expected to decline 2 percent to 1,025,000 tons and inventories by a similar 2 percent to 10,925,000 head, the lowest level in more than 20 years.

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YUGOSLAVIAN livestock numbers and meat production declined in 1983 as a result of high feed costs and reduced consumer demand, according to the U.S. agricultural counselor in Belgrade. Prospects for high costs of feeds and uncertain feedstuff supplies along with a depressed meat export outlook are likely to hinder meat output in 1984.

Cattle numbers, which have been declining since 1981, dropped 1 percent in 1983. Beef and veal output totaled 325,000 tons, 2.6 percent lower. In 1984, beef and veal production is projected to be slightly lower at 320,000 tons. The expectation of a smaller calf crop and increased calf slaughter are likely to cause a 2.7-percent decline in year-ending animal inventories to an 11-year low.

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In the hog sector, which is heavily dependent on corn and imported protein meal, pork production was down 6 percent, totaling 740,000 tons. Only a slight drop in numbers occurred. In 1984, production is expected to fall to 720,000 tons. Inventories are projected to drop to 7.62 million head, the lowest level since 1980.

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Milk production in the NETHERLANDS during 1983 is estimated at 13.1 million tons, 3 percent above 1982. Most of the increase was due to growth in milk cow numbers, up 2.9 percent, rather than to increased productivity. Gains in per cow milk yields were limited by a summer drought which hurt pastures and reduced the harvest of forages for winter use. Production prospects for 1984 remain uncertain until the European Community (EC) announces provisions of its new dairy program.

Production of butter and nonfat dry milk in 1983 reached 271,000 and 246,000 tons, respectively, each up by approximately 25 percent. Prices for both butter and nonfat dry milk are supported by the intervention system of the EC. Production of cheese, which is more dependent on market prices, increased only slightly in 1983.

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Isolation of avian influenza virus recently was reported on a major duck farm in IRELAND. This follows an earlier outbreak among turkeys in November 1983. Duck production accounts for 6 percent of total poultry meat, while turkeys have been accounting for 23 percent. In addition to an expected significant reduction in 1984 duck production, both turkey and broiler outputs will be lower because of the prolonged quarantine. Reduced production is expected to result in smaller 1984 poultry meat exports.

COTTON AND FIBERS

CHINA is showing further signs of increasing cotton processing capacity to meet growing domestic and export demand. In Nantong, officials have used a $14 million loan from commercial sources in the United States to purchase modern textile machinery from Europe. A West German team is installing equipment in a new polyester fiber plant.

TOBACCO

INDIA's 1983 tobacco crop is estimated at a record 594,000 tons, up 14 percent from the 520,000-ton 1982 harvest, according to the U.S. agricultural counselor in New Delhi. The increase is due primarily to a 13-percent expansion in tobacco area, with yields up only slightly. Total tobacco area is estimated at 501,300 hectares and aggregate yields at 1.185 tons per hectare.

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Production of flue-cured tobacco posted the most substantial gain. Output in 1983 was estimated at a record 184,000 tons, up 36 percent from the 135,500 tons harvested in 1982, with most of the gain resulting from a 32-percent area increase. The previous record flue-cured crop was the 164,800 tons harvested in 1978. Total production of all other leaf types--oriental, light air-cured, burley and fire-cured--was estimated at 410,200 tons, up 7 percent.

WOOD AND WOOD PRODUCTS

The volume of exploitable timberland in SPAIN is currently estimated at 5 million hectares, almost 10 percent of the country's total geographic area. Since 1979, timber output has stabilized at 13 million cubic meters per year, up from an average of 5 million harvested annually from 1950 through 1968. In 1952, the government instituted a reforestation program that has proved to be successful in reforesting approximately 100,000 hectares per year since its inception. However, some of these gains have been offset by forest fires and four consecutive years of drought. The government utilizes production subsidies to encourage forestation by the private sector. The largest subsidies are paid for seeding fast-growing species such as European poplar, eucalyptus and Monterey pine. As a result, there is an acute domestic shortage of high-quality, slow-growing softwoods, particularly scotch and black pines, and similarily desirable, but also slow-growing hardwoods, such as European beech.

Despite Spain's relatively low per capita wood consumption, demand still outpaces domestic production. Spain's projected timber demand and deficit for the years 1985-2000, as compared with the 1980 deficit, are as follows in million cubic meters:

Year	Timber Demand	Timber Deficit
1980	17.95	6.73
1985	21.68	7.46
1990	24.88	8.26
1995	28.08	9.05
2000	31.28	9.85

Except for a small quantity of softwood logs and poles, Spain's imports of roundwood are primarily temperate hardwood logs from France and tropical hardwood logs from the Ivory Coast. Sweden and West Germany supply over 50 percent, respectively, of Spain's softwood and temperate hardwood lumber requirements. In 1982, the United States was the second largest supplier of softwood lumber (southern yellow pine, Douglas fir, California redwood and hemlock) and the third largest supplier of temperate hardwood lumber (oak and walnut). Tropical hardwood lumber is supplied by Cameroon, the Ivory Coast and the Philippines. Imports of wood chips, flooring, siding and panel products are relatively small. Spain is a net exporter of veneer, plywood, fiberboard and particleboard.

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The 1983 timber harvest in the SOVIET UNION is currently estimated at 357 million cubic meters, up from 355.9 million in 1982. Output of industrial roundwood is estimated at 274 million cubic meters, slightly above the 1982 volume of 272.6 million.

The target for the 1984 timber harvest has not yet been announced. Press statements published late in 1983 called for daily deliveries of over 1 million cubic meters for a total harvest of just over 365 million. If this volume becomes the official government target, deliveries to date are running about 30 percent below plan.

Selected International Prices

Item	Feb. 14, 1984		Change from previous week	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%12/	196.50	5.35	-1.00	197.00
U.S. No. 2 DNS/NS: 14%.12/	190.00	5.17	0	170.00
U.S. No. 2 S.R.W..........	148.50	4.04	-4.50	161.00
U.S. No. 3 H.A.D.12/.....	187.00	5.09	-18.00	170.00
Canadian No. 1 A: Durum.12/	204.00	5.55	-1.00	187.00
Feed grains:				
U.S. No. 3 Yellow Corn....	147.00	3.73	-6.00	133.00
Soybeans and meal:				
U.S. No. 2 Yellow.........	280.50	7.63	-9.90	242.25
Brazil 47/48% SoyaPellets 4/	226.00	--	-6.00	226.50
U.S. 44% Soybean Meal.....	215.00	--	0	215.00
U.S. FARM PRICES 5/				
Wheat.....................	121.98	3.32	-1.84	130.06
Barley....................	97.83	2.13	-1.84	63.84
Corn......................	119.69	3.04	-2.76	90.55
Sorghum...................	105.38	4.78 4/	-1.76	92.15
Broilers 7/...............	1349.66	--	+1.33	N.A.
EC IMPORT LEVIES				
Wheat 8/.................	80.15	2.18	+2.30	105.75
Barley....................	53.10	1.16	+.10	111.50
Corn......................	53.70	1.36	+2.50	96.45
Sorghum...................	64.80	1.65	+1.75	92.45
Broilers 7/ 9/ 11/........	167.00	--	+1.00	314.00
EC INTERVENTION PRICES 10/				
Common wheat(feed quality)	173.60	4.72	+3.75	185.75
Bread wheat (min. quality)10/	189.35	5.15	+3.85	204.20
Barley and all other feed grains.......	173.60	--	+3.75	185.75
Broilers 7/ 9/...........	1159.00	--	+17.00	1063.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	32.70	.89	+6.65	74.85*
Barley....................	32.50	.71	+6.45	89.30
Broilers 7/ 9/ 11/........	131.00	--	+1.00	213.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine. 3/ Based on selected major markets and adjusted to reflect farm prices more closely. 4/ Hundredweight (CWT). 5/ Twelve-city average, wholesale weighted average. 6/ Durum has a special levy. 7/ EC category--70 percent whole chicken. 8/ Reflects lower EC export subsidy-down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 9/ F.o.b. price for R.T.C. broilers at West German border. 10/ Reference price. 11/Reflects exchange rate change and not level set by EC. 12/ April-May shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis March delivery. *Zone 4--Latin America.

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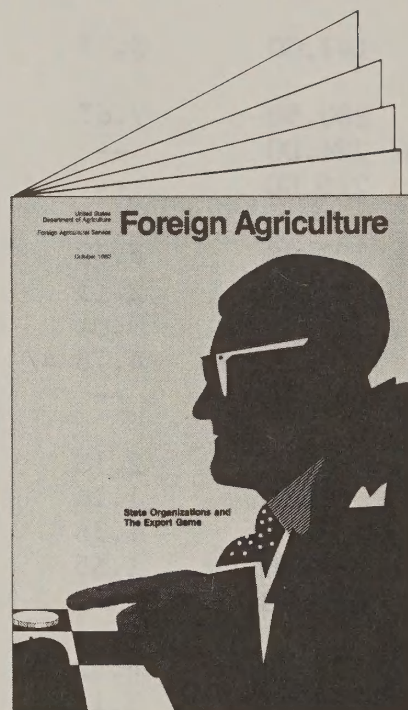

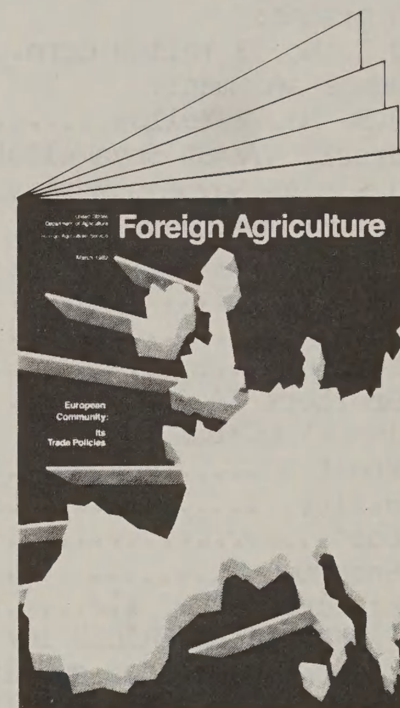

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